

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. 03-60

Respondent: Bruce F. Meacham
Title: Group Manager – Service Costs

REQUEST: AT&T Communications of New England, Inc., Set #5

DATED: January 21, 2004

ITEM: AT&T 5-181 Please provide the denominator for total central office work time used in Verizon's Non-Recurring Cost Model. Please explain the following:

- (a) Is the denominator measured in number of hours or number of orders?
- (b) Does the denominator include maintenance activities?

REPLY: The following reply is based on Verizon MA's assumption that AT&T's request is directed toward the numerators and denominators underlying the monthly WFA-DI data used to calculate the ratio of Travel as a Percentage of C.O. Worktime used in Exhibits III-A-P and Supp-III to calculate the amount of C.O. Frame technician travel times for hot cuts. Proprietary Attachment ATT 5-181 shows the numerators and denominators for January through October 2003 used to calculate the Year-To-Date average of Travel as a Percentage of C.O. Worktime. The travel percentage was an average originally calculated from actual data for the first nine months of 2003 plus month-to-date data for October the most complete data set available immediately before the November 13, 2003 filing date. The attachment now reflects the actual data for October 2003, which differs from the month-to-date percentage originally used in the cost study filing. Using the new travel percentage would lower the Total C.O. Wiring Cost by five cents. Attachment MA ATT 5-181 contains proprietary information and is being provided to the Department and to parties in accordance with the terms of the Department's Protective Order.

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REPLY: Cont'd

- (a) The business rule for % Travel Hours is Travel Hours divided by Productive Payroll Hours. The denominator is thus measured in number of hours.
- (b) The denominator includes all productive work performed by C.O. technicians. That would include maintenance, repairs, and changes, as well as both Wholesale and Retail service order work.

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ITEM: AT&T 5-182

Verizon's response to ATT-VZ-164 states: "Work code TRVL includes all travel time from point A to point B for travel between locations in the technician's tour. It is not specific to each job function performed at the location. It would be inappropriate to exclude travel time for maintenance and other non-UNE service order work tasks in the calculations since the travel time percentage is based on total travel as a percentage of total central office work. To exclude certain instances of travel time from the calculation (e.g., travel incurred to perform retail work) would require a similar exclusion of such instances of the underlying central office work (e.g., all of the central office wiring or other work associated with retail) from the total central office work. Such an exclusion to the calculations is not possible, nor would it likely lead to any significant difference in the result."

(a) Please define the component "C.O. Work-time"

- (i) Is this data recorded in Verizon's WFA/DI systems? If so, how?
- (ii) What tasks or activities are included within this component?
- (iii) Please provide a percentage breakdown of "C.O. Work time" as it relates to tasks, activities, trouble tickets, service orders, etc or any other event which was recorded in WFA/DI and contributed to the denominator in the calculation of "Travel as a Percentage of C.O. Work-time" in Verizon's Non-Recurring Cost Model appearing on the FACTORS worksheet.

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- (b) Please provide the total number of employees that contributed data to the "C.O. Work-time component" and the "Travel as a Percentage of C.O. Work-time" component." Please explain the rationale if these two numbers are different.
- (c) Please verify that travel time and Central Office work time were calculated from data collected from central office technicians only. If this is not true, please indicate what additional employees contributed data to Verizon's calculation.
- (d) Is the travel time data referred to in (c) above culled from Verizon's WFA-DI system? Does the WFA-DI system keep track of travel time for all central office technicians who are required to travel between central offices? Does the WFA-DI system record travel time for other Verizon employees? If so, whom?
- (e) What Verizon employees are encompassed within the term central office "technician" as used within Verizon's answer to ATT-VZ 164? Please indicate what internal Verizon job titles are held by those employees included within this definition of "technician". For each job title, please indicate what percentage of C.O. work time for an employee in such a role consists of performing cross-wiring at a Central Office MDF. Please approximate such a percentage if necessary.
- (f) For each job title provided in response to (e) above, please provide total Central Office Work time and travel time that was used to compute "Travel as a Percentage of C.O. Work-time" in Verizon's Non-Recurring Cost Model appearing on the FACTORS worksheet.

REPLY:

- (a) Please see Verizon MA's reply to ATT-VZ 5-181. C.O. Work-time is defined in WFA-DI as productive hours.
 - (i) Yes. C.O. technicians are required to report all work time to productive or non-productive work codes.
 - (ii) All central office work is included within this component.
 - (iii) Verizon does not collect the requested data to a sufficient degree of granularity to allow it to provide a response. Providing the

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REPLY: Cont'd

requested data would require a burdensome and time-consuming special study.

- (b) All C.O. technicians report into WFA-DI; therefore, the number of employees required to report travel time is the same as the number of employees required to report other work codes.
- (c) WFA-DI (Work Force Administration – Dispatch In) is used only by C.O. technicians; therefore, travel time and Central Office work time were calculated from data collected from C.O. technicians only.
- (d) Yes. The WFA-DI system keeps track of travel time only for central office technicians, who are required to travel between central offices for certain jobs.
- (e) As used within Verizon MA's answer to ATT-VZ 3-164, the term central office "technician" would encompass Verizon craft employees assigned to Wage Table 02 of the IBEW Wage Schedule in Verizon NE's union contract and given the job title Central Office Technician. Central office technicians carry one or more Job Function Code associated with work performed under the Central Office Technician job title. In some large central offices, there are technicians assigned full time to performing cross-wiring at the central office MDF. In other, smaller central offices, the technicians are trained to perform multiple job functions including cross-wiring on the MDF. It is not possible to approximate what percentage of C.O. work time for an employee in such a role consists of performing cross-wiring at a Central Office MDF without performing a time-consuming special study.
- (f) There is only one job title – Central Office Technician – for central office technicians. See the attachment provided with Verizon MA's reply to (a) above.

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ITEM: AT&T 5-183 Please explain how Verizon's cost model accounts for travel time when the technician is traveling to complete only project or batch UNE orders.

REPLY: Please see Verizon MA's Initial Panel Testimony at page 56, lines 3 to 10. The travel time for Project Hot Cuts was developed by multiplying the Total CO Frame work time excluding travel for Project Hot Cuts by the ratio of travel time as a percentage of work time from WFA-DI. Verizon MA did not include travel time for Batch Hot Cuts in its calculations because Verizon MA's calculations assumed that all personnel assigned to perform Batch Hot Cuts would be in place in advance of starting the hot cuts. Please see Attachment MA ATT 5-183 for data concerning Travel Time for Project Hot Cuts, Total Co Frame Work Time, and the Ratio of Travel Time as a Percentage of Work Time. Attachment MA ATT 5-183 contains proprietary information and is being provided to the Department and to parties in accordance with the terms of the Department's Protective Order

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ITEM: AT&T 5-184 Are costs for travel time associated with maintenance activities captured in nonrecurring or recurring rates? Please explain how such costs are captured through recurring or nonrecurring rates.

REPLY: In Verizon MA's Recurring Costs studies, maintenance factors are developed for every class of investment by dividing the maintenance costs charged in the USOA expense accounts by the investments in the appropriate corresponding investment accounts. To the extent that travel to perform maintenance is charged into the appropriate USOA expense account, travel is captured in recurring rates.

Verizon MA's hot cut non-recurring cost studies avoid double-recovery of costs for travel time by calculating travel time as a percentage of total CO Frame *hot cut* work time. For example, the travel time for a 2-Wire Basic (WPTS) Hot Cut was developed by multiplying the Total CO Frame work time excluding travel by the ratio of Travel as a Percentage of C.O. Worktime from WFA-DI. . Please see proprietary Exhibit MA ATT 5-184 for data concerning Travel Time for a 2-Wire Basic (WPTS) Hot Cut, Total CO Frame Work Time Excluding Travel Time, and the Ratio of Travel Time as a Percentage of CO Work Time. Attachment MA ATT 5-184 contains proprietary information and is being provided to the Department and to parties in accordance with the terms of the Department's Protective Order.

Because the starting point for the calculation of hot cut travel costs is specific to Wholesale service orders for hot cut lines, Verizon avoids double-recovery of costs for any other travel time associated with other Wholesale Service orders (e.g., UNE-L), Retail service orders, or maintenance work.

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ITEM: AT&T 5-185

In Exhibit III-A to Verizon's Initial Panel Testimony regarding the Hot Cut Process and Scalability, Verizon lists the following as an Input Factor in its Non-Recurring Cost Model: Travel as a Percentage of C.O. Worktime = 8.9%. Please answer the following:

- (a) Does this mean that 8.9% of the CO Technician's recorded time is for travel?
- (b) What percentage of the CO technician's total work time is related to UNE hot-cut orders?

REPLY:

- (a) Yes. Please see Verizon MA's Initial Panel Testimony at page 56, lines 3 to 10.
- (b) 100% of the CO technician work time identified in Verizon MA's non-recurring cost model is related to UNE hot cut orders. Please see Exhibit Supp-III to Verizon MA's Supplemental Initial Panel Testimony. The work times shown in Column C for the CO Frame work center on Tabs 1 through 10 are specific to hot cut orders.